



THE INTERNATIONAL STRAIT AUTHORITY

A Proposal for the Permanent Governance of the Strait of Hormuz

An Independent Analysis

March 2026



Prepared in response to the 2026 closure of the Strait of Hormuz and the failure of existing frameworks to provide a durable resolution.

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I. THE CRISIS AS CLARIFIER

On 28 February 2026, the United States and Israel launched coordinated strikes against Iranian military and nuclear infrastructure. Within hours, the Islamic Revolutionary Guard Corps announced the closure of the Strait of Hormuz to vessels associated with the United States, Israel, and their Western allies. Tanker traffic dropped by seventy percent within days and to effectively zero within a week. Twenty percent of the world's daily oil supply — some fifteen million barrels of crude plus five million barrels of refined products — ceased to move.

The ongoing military campaign is degrading Iranian offensive capability systematically: air defense networks, naval surface assets, missile production infrastructure, and IRGC command nodes. This degradation serves the stated campaign objectives. It simultaneously creates a condition that purely military planning has not addressed: the window during which a structural settlement of the strait's governance becomes achievable without a separate and costly occupation campaign. The military assets currently engaged in degrading Iranian capability are, in effect, generating the conditions of settlement. The question is whether settlement is pursued while those conditions exist, or whether the opportunity is allowed to close.

This analysis proposes that the terms of settlement include the establishment of the International Strait Authority — a permanent, multilaterally legitimized, militarily underwritten governance structure for the Strait of Hormuz. The ISA is not a post-conflict proposal. It is a settlement condition: the structural arrangement that converts a military campaign into a durable strategic achievement rather than a temporary reopening of shipping lanes.

The case for this framing rests on a straightforward observation: the Strait of Hormuz has no permanent governance framework. It operates, in normal times, on the shared fiction that the party with the capacity to close it will choose not to. That fiction has been revoked. A settlement that does not address this structural absence merely restores the conditions that produced the crisis — and defers the next one to a moment when Iranian military capacity has reconstituted and American political will may be less available.

II.

WHY EXISTING FRAMEWORKS FAIL

Three responses to the Hormuz threat have dominated strategic discussion. Each is inadequate on its own terms.

Full Occupation

The instinct to seize Iranian territory sufficient to deny Tehran's ability to threaten shipping is understandable but strategically incoherent at scale. Occupying a nation of ninety million people — even with the stated objective of coastal denial rather than regime replacement — generates a resource cost that exceeds any conceivable benefit. The history of American ground occupation in the Middle East provides the proof case. Every square kilometer of contested Iranian territory would require garrisoning, supply, intelligence, and counterinsurgency resources that the United States has consistently demonstrated it cannot sustain. Full occupation is the least intelligent response available — and, critically, an unnecessary one if the settlement framework proposed here is pursued while current military conditions permit.

Naval Escort

The alternative most actively discussed during the 2026 crisis — naval convoy escort through the strait — addresses the symptom rather than the cause. Iran's anti-access capability is not limited to surface vessels. The IRGC has spent decades developing an integrated threat architecture: seabed mines, midget submarines, shore-based anti-ship missiles with ranges exceeding three hundred kilometers, and swarms of fast attack craft and armed drones. Escort operations place naval vessels in harm's way for no strategic gain beyond transit of individual convoys. The threat reconstitutes as fast as it is degraded. Escort is not a solution — it is an indefinitely expensive holding pattern that forecloses the strategic achievement that settlement could secure.

Status Quo Restoration

The third option — restoration of pre-crisis arrangements through ceasefire and negotiation — is the most politically attractive and the least durable. The arrangements that existed before February 2026 produced the crisis. Returning to them produces the next one. The status quo ante was not stability — it was instability deferred. Any framework that depends on Iranian restraint, absent structural constraints on Iranian capability and positional leverage by the administering authority, is a framework for the next closure rather than a resolution of the present one.

III.

THE HISTORICAL PRECEDENTS

The governance of critical chokepoints through limited territorial control has a well-documented history. Three cases are instructive.

Gibraltar has been administered by Britain since 1704 — a territory of six square kilometers controlling access between the Atlantic and the Mediterranean. Spanish sovereignty claims have never ceased. British physical control has never been relinquished. The arrangement has persisted for over three centuries because the cost of challenging it has consistently exceeded the benefit. Minimum territory, maximum positional leverage, indefinite duration.

The Panama Canal Zone operated under American administration from 1903 to 1999. The arrangement was explicitly profitable — transit fees funded canal operations and generated surplus revenue — and explicitly imperial in character. It endured for ninety-six years. When it ended, it did so not through military defeat but through the political judgment that Panamanian nominal sovereignty was worth more to American regional relationships than continued territorial administration. The United States retained treaty guarantees of canal neutrality. The positional substance survived the transfer of the territorial form.

Diego Garcia, a British Indian Ocean Territory leased to the United States since 1966, underwrites American power projection across the Indo-Pacific and Middle East from a position of near-total geographic isolation. Its value is precisely its separateness — a secure logistics base immune to the political turbulence of the regions it serves. The arrangement requires no ongoing military justification because it generates no ongoing military friction. It simply exists, and from its existence, options flow.

The common architecture across these cases: minimum viable territory, chosen for geometric rather than demographic significance; economic logic that creates stakeholders beyond the administering power; and duration measured in generations rather than administrations. The International Strait Authority is the application of this architecture to Hormuz — with one critical refinement that none of the prior cases achieved: the formal inclusion of both energy-producing and energy-consuming states in its governance structure.

IV. THE GEOMETRY

The strait's navigable channels run closer to the Iranian shore than to the Arabian shore. The Traffic Separation Scheme — the internationally recognized two-lane shipping corridor — hugs the Omani coast through the narrows, but the threat to shipping originates primarily from the north. Iranian shore-based missiles, mining operations, and fast attack craft deploy from the

Iranian coastal zone. Control of the Iranian side of the strait is therefore more decisive than control of the Arabian side, though both are necessary components of a durable solution.



Figure 1. The ISA operational zone. Iranian side: Qeshm Island and Bandar Abbas coastal hinterland (functional minimum); Bandar Abbas to Bandar-e-Jask coastal strip (strategic optimum). Arabian side: Musandam Peninsula (Omani exclave); Fujairah corridor (UAE transit access). Strategic satellite: Port of Duqm, Arabian Sea (off map to south).

The Iranian Side

The functional minimum on the Iranian side comprises two elements. Qeshm Island — the largest island in the Persian Gulf, approximately 1,500 square kilometers, separated from the Iranian mainland by the narrow Clarence Strait — sits directly astride the main shipping channel. Its island geography makes it inherently more defensible than equivalent mainland territory: the water barrier substitutes for a land perimeter. The island's existing special economic zone status means that a population accustomed to commercial rather than purely military governance already exists there.

The Bandar Abbas coastal hinterland — a strip extending approximately twenty-five kilometers inland from the port — constitutes the second component. Its purpose is not lane control but missile denial: pushing Iranian land-based anti-ship batteries beyond direct engagement range of the shipping corridor.

The strategic optimum extends this logic eastward along the Iranian coast to Bandar-e-Jask, a distance of approximately 270 kilometers. Iranian anti-ship missiles have operational ranges exceeding 300 kilometers. A threat

architecture capable of holding the Gulf of Oman approaches — not merely the strait narrows — requires pushing the missile threat horizon correspondingly eastward. The Iranian coastline between Bandar Abbas and Jask is among the least populated terrain in the country: arid, mountainous, economically marginal. The population displacement implications of administration, as distinct from occupation, are relatively modest.

The Arabian Side

The Musandam Peninsula — an Omani exclave separated from the Omani mainland by UAE territory — is the geographical asset that the southern shore provides. It juts directly into the strait from the south, reaching its northernmost point at Ra's Musandam at approximately 26.4 degrees north latitude — directly opposite the Iranian coast. Khasab, its principal settlement, already hosts an Omani naval base with existing radar and maritime patrol infrastructure. In geographic terms, Musandam is Gibraltar. It requires no construction of strategic position because the position already exists.

The Omani negotiation is the ISA's critical diplomatic hinge. Sultan Haitham's government has maintained relations with every major regional power simultaneously — including serving as the back-channel intermediary between Washington and Tehran over multiple decades. Oman understands better than any other state what the strait's governance requires, and what the absence of governance costs. The negotiation is bilateral and tractable: a question of terms, not of principle.

The Fujairah corridor — a transit zone through UAE territory connecting Musandam to the broader logistics network — is commercially rather than militarily significant. The Port of Fujairah already functions as the primary oil terminal for Gulf exports that bypass the strait via pipeline. UAE economic incentives for corridor access are therefore substantial and pre-existing.

The Strategic Satellite

The Port of Duqm, on Oman's Arabian Sea coast approximately 550 kilometers south of the strait, serves as the ISA's deep logistics base. Its critical characteristic is immunity: located outside the strait, it cannot be threatened by strait closure. The United States already holds naval access agreements at Duqm. During the 2026 crisis, Iranian drone strikes against Duqm confirmed what strategic planners already knew: Tehran understands its significance as the unsinkable rear base of any permanent strait security architecture.

V. THE ISA FRAMEWORK

Governance

The International Strait Authority is proposed as a treaty-based international organization with a two-tier governance structure reflecting the two distinct interests the strait serves: the security interest of the administering powers and the commercial interest of the states whose economic existence depends on uninterrupted transit.

The Security Tier comprises the United States, which provides the military backbone and holds a permanent seat with veto authority over security decisions, and invited allied partners participating in the military architecture. The Security Tier is not a deliberative body — it is a command structure with legal legitimization.

The Governance Tier is the ISA's legitimizing instrument. It comprises two categories of member. The energy-consuming states with the greatest transit dependency — Japan, South Korea, India, and the European Union — represent the demand side of the equation: the industrial economies whose functioning requires guaranteed access. Their inclusion transforms the ISA from a Western imposition into an instrument of global energy security with genuine multilateral investment.

The second category, and the more significant omission from prior drafts of any Hormuz governance proposal, is the energy-producing states of the Gulf. Saudi Arabia, the UAE, Kuwait, Qatar, and Iraq are not passive beneficiaries of open strait access — they are its primary commercial dependents. Saudi Aramco's warning of 'catastrophic consequences' during the 2026 crisis, the UAE's immediate activation of Fujairah as a bypass terminal, Kuwait's exposure of its entire export infrastructure to strait closure: these are not rhetorical positions. They are expressions of existential economic interest. The Gulf producers belong in the Governance Tier not as a diplomatic courtesy but because their participation converts the ISA from a framework imposed on the region into one endorsed by it.

Iraq presents a specific diplomatic opportunity. Iraq exports through the Gulf and has direct economic interest in open transit. Its Shia political establishment has complex ties to Iran — which makes Iraqi Governance Tier participation valuable precisely because of that complexity. An Arab Shia voice within the ISA framework, distinct from and in tension with Iranian interests, disrupts the narrative that the ISA is a Sunni-Western coalition against a Shia state. That disruption is worth more than any military asset.

Qatar, which hosts the largest American air base in the region at Al Udeid, is both a Gulf producer and an existing American security partner. Its Governance Tier membership is effectively mandatory — its absence would signal that the ISA and the existing American basing architecture in the Gulf are separate rather than complementary, which would weaken both.

The China Question

Approximately seventy percent of Gulf oil transits to Asian markets, with China as the dominant customer. American positional control of the strait is, in Chinese strategic terms, a structural chokehold on Chinese energy supply — regardless of how multilaterally it is legitimized. The ISA framework addresses this partially. China is offered observer status on the Governance Tier and guaranteed transit rights under the fee structure. Full membership is available in exchange for participation in the security burden — an offer structured to be publicly difficult to refuse while remaining privately refusable, preserving Chinese face while establishing the framework without Chinese consent if necessary. The ISA proceeds with or without Chinese participation. Chinese participation, if eventually secured, consolidates it.

The Fee Mechanism

Transit fees are the ISA's self-sustaining economic engine. A modest levy on commercial vessel transits — calibrated well below the cost of war-risk insurance premiums under crisis conditions — funds ISA operations and generates a revenue stream distributed among Governance Tier members, host territories, and a dedicated humanitarian development fund. Oman receives a share proportional to its territorial contribution. The Gulf producers receive a transit guarantee whose value is quantifiable against the losses of any future closure. The humanitarian fund, administered independently, is notionally available to Iranian civilian populations — creating a long-term incentive for Iranian successor governments to negotiate normalization rather than perpetual exclusion.

The fee mechanism transforms the ISA from an instrument of American power into a revenue-generating international utility. The economic logic of opposition shifts: challenging the ISA means challenging a mechanism that delivers predictable, insured, competitively priced energy transit to every economy in the world that depends on Gulf oil. That is a harder political case to make than challenging American unilateralism.

Territorial Status

The ISA's territorial arrangements follow the administered jurisdiction model rather than annexation — analogous to the Canal Zone or Diego Garcia. Iranian sovereignty over Qeshm and the coastal strip is not formally extinguished but suspended for the duration of ISA administration, with provisions for review after a defined period. This preserves a legal off-ramp for Iranian normalization, avoids triggering the full international legal machinery that annexation would activate, and — critically — maintains the fiction of Iranian sovereignty sufficiently intact that a future Iranian government can negotiate participation without the domestic political cost of having acknowledged defeat.

Omani sovereignty over Musandam is unaffected. The ISA operates through a

basing and revenue-sharing agreement with the Sultanate rather than through any transfer of territorial control. The distinction matters: it means that Oman's participation in the ISA is legally and politically equivalent to any sovereign state's decision to host foreign military forces — a routine act of national interest, not a concession of sovereignty.

VI. DURABILITY

The ISA's durability rests on three reinforcing foundations.

The first is geometric. The positional control that the ISA establishes — Qeshm, Musandam, the missile denial envelope — does not depend on Iranian cooperation for its maintenance. It is self-sustaining in the way that Gibraltar is self-sustaining: the position, once held, requires only the will to hold it. The cost of challenging it exceeds the cost of accepting it. This geometric durability is independent of the political arrangements layered on top of it — it persists through changes of government in Washington, Tehran, and Muscat alike.

The second is economic. The fee mechanism and the Governance Tier together create a constituency for the ISA's continuation that extends across every economy dependent on Gulf energy. Japan and South Korea, whose industrial economies would cease to function without Gulf oil, become active defenders of the framework. The Gulf producers — Saudi Arabia, the UAE, Kuwait, Qatar, Iraq — become stakeholders in the very mechanism that guarantees their revenue streams. The economic architecture of the ISA makes its dissolution more expensive than its perpetuation for the overwhelming majority of its members.

The third is narrative. The ISA's governing claim — energy security as a global public good, administered by an international authority on behalf of the transit-dependent world — is less false than the narratives that sustained prior arrangements. The Canal Zone claimed to serve Panamanian development while serving American strategic interest. The ISA claims to serve global energy security — and, through the fee mechanism, the transit guarantee, and the inclusion of producing states in governance, actually does so. A narrative that partially corresponds to reality is more durable than one that does not. This is not a marginal consideration — it is the difference between an arrangement that requires continuous military enforcement and one that generates its own legitimacy.

The arrangement will face sustained Iranian opposition under any foreseeable Iranian government. It will face periodic Chinese diplomatic pressure. It will face domestic American political turbulence as administrations change. None

of these constitute fatal objections. The test of durability is not the absence of opposition but the cost calculus of that opposition: whether challenging the arrangement is worth more than accepting it. The ISA is designed to ensure, for the widest possible range of actors, that it is not.

VII. THE WINDOW

The argument for the ISA is not merely strategic. It is temporal.

The ongoing military campaign is degrading Iranian military capacity to a degree not seen since the Iran-Iraq War. Iranian air defense, naval surface assets, and significant portions of its missile production infrastructure have been systematically destroyed. The IRGC's capacity to contest a physical ISA presence in the strait is at its lowest point in four decades. That window will close. Iran will reconstitute. The question is whether the interval between the current degradation and the future reconstitution is used to establish a structural settlement that changes the cost calculus permanently, or whether it is used only to reopen shipping lanes temporarily.

The military campaign, on this analysis, has two possible conclusions. The first is tactical: Iranian offensive capability is sufficiently degraded that shipping resumes, a ceasefire is negotiated on terms resembling the pre-crisis status quo, and the resources expended in the campaign purchase a period of stability whose duration depends entirely on Iranian political calculations the United States cannot control. The second is strategic: the degradation of Iranian capability is used as the condition of a settlement that includes ISA establishment, converting the campaign's military achievement into a permanent structural change in the governance of the strait. The first conclusion wastes the campaign. The second justifies it.

The political window is similarly constrained. The 2026 crisis has made the absence of a Hormuz governance framework impossible to ignore. Energy markets, insurers, and transit-dependent governments have experienced directly what had previously been a theoretical risk. The appetite for structural solutions is higher than it has ever been and will not remain so. A framework proposed while the strait is closed asks governments to bear present political costs to end present economic pain. The same framework proposed after the crisis has passed asks them to bear present costs for hypothetical future benefits. These are different conversations with different probabilities of success.

The ISA must be proposed, negotiated in outline, and established in principle during the current crisis — not after its resolution. The settlement that ends the 2026 Hormuz closure is the ISA's founding document, or the opportunity

is deferred to a crisis that may arrive under less favorable conditions.

CONCLUSION

The Strait of Hormuz is the point at which the energy metabolism of industrial civilization is most physically exposed. Twenty percent of the world's daily oil supply passes through a channel thirty-three kilometers wide at its narrowest. The governance of that channel has, until now, been left to the informal arrangement of mutual deterrence — an arrangement that has failed and will fail again under conditions of sufficient Iranian calculation or desperation.

The International Strait Authority is not a perfect solution. It is a durable one. It requires the United States to acknowledge, in institutional form, what it has always done in operational fact: underwrite the energy security of the industrial world through military positional control. It asks that this acknowledgment be structured, governed, and shared — with the costs distributed among the beneficiaries, the producing states invested in governance, and the benefits made explicit rather than assumed.

The current military campaign has created conditions that no prior administration has had available: a degraded Iranian threat, an open political window, and a global audience that has experienced the cost of the status quo firsthand. The question before policymakers is whether these conditions are used to establish a framework that lasts, or allowed to pass in favor of arrangements that will require revisiting. This analysis argues for permanence, while the opportunity for it exists.

* The analytical framework underlying this assessment draws on Bio-Realism, a thermodynamic model of biological and collective behavior that treats human organizations — including states and empires — as dissipative structures subject to the same physical principles as other complex systems. On this view, the drive to secure energy gradients is not a policy choice but a structural imperative of organized biological systems at every scale. The ISA represents, in this framework, the most metabolically efficient expression of that imperative available under current conditions: minimum territorial control of maximum energy leverage, with the costs of legitimization distributed among the beneficiaries of the arrangement.